

RD AN No. 3794 (1930-C)
October 24, 2002

TO: State Directors
Rural Development

ATTENTION: Multi-Family Program Managers

FROM: Arthur A Garcia
Administrator
Rural Housing Service

(Signed by Arthur A. Garcia)

SUBJECT: On-Farm Labor Housing Selected Servicing and Support Materials

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to issue guidance on selected servicing and support materials required to comply with the recent court order in Roman vs. Korson. The intended outcome is to provide information needed to meet the court order and to demonstrate whether or not the provisions of the court order are being met.

COMPARISON WITH PREVIOUS AN:

This AN replaces the guidance issued in RD AN No. 3676(1930-C), which expired on September 30, 2002.

IMPLEMENTATION RESPONSIBILITIES:

The reporting information contained in this AN as Attachment A is needed to carry out a court order. The court order is provided as Attachment B. The last element of the court order requires supporting materials for each borrower be provided to supplement the quarterly reporting material required to be reported by Attachment E of RD AN No. 3719(1930-C).

EXPIRATION DATE: March 31, 2003

FILING INSTRUCTIONS:
Preceding RD
Instruction 1930-C

Effective immediately, Attachment A will continue to be completed as it was last year on a quarterly basis. The first quarterly report must be prepared to reflect information as of September 30, 2002. Negative reports are required. The reporting information is due for receipt in the National Office within 30 days of the ending report date (e.g., for the September 30, 2002, report information must be submitted prior to October 31, 2002). In addition, support materials evidencing the status of the reported information should accompany the report. This includes, but is not limited to, copies of the servicing letters referenced, and copies of the approved crediting or rebate plans and evidence of compliance with such plans. Evidence of any prepayment should also be forwarded.

Reporting information should be sent to the attention of Melba L. Swarey in the National Office. The material may be sent via mail for receipt by the due date or by fax or e-mail. The fax number is 202-720-0302. The material may be sent via e-mail to the following: [mswarey@rdmail.rural.usda.gov](mailto:mswirey@rdmail.rural.usda.gov). The information reported will be provided to the Department of Justice, the plaintiffs, and the court.

It is critical that the Agency fulfill its servicing responsibilities. The court has ruled that the Agency is not carrying out its servicing responsibilities. This record is not acceptable and must be corrected.

In short, the court ruled that the Agency is not forwarding the written servicing letters as required. In addition, the court ruled that the Agency is not being successful in getting results from its letters demanding that the borrower credit or rebate unauthorized shelter cost changes retroactively to these tenants. Information supplied by field offices reflect a very low number of borrowers issuing credits or rebates to affected tenants, and a very low dollar amount of credits or rebates delivered to these tenants. When a borrower is unable or unwilling to comply with an Agency demand to credit or rebate unauthorized assistance to tenants retroactively, this information must be reported to the State Office along with a recommendation for servicing.

The Administrator of Rural Housing Service and the Under Secretary of Rural Development will be advised if any State Office fails to submit a timely report.

Questions concerning the provisions of this AN or concerning servicing advice may be directed to James E. Vollmer of our staff at 202-720-1060.

Attachments

REPORT OF ON-FARM LH BORROWER COURT-ORDERED SERVICING EFFORTS

As of _____

StateBorrower NameCase NumberDate of First
Servicing LetterDate of
Second
Servicing
LetterDate of Third
Servicing
LetterDate of
Problem
Case ReportAmt. of
Improper
ChargesAmt. Of
Rebates
PaidAmt. of
Credits
OwedAmt. of
Credits
PaidAmount of
RHIF Payment
RequestedAmount of
RHIF Payment
Made

Are objectives of Court Order regarding rebates and credits being met? [] Yes [] No If no,
explain
giving plans for future action.

Prepared by: _____
(Signature)

Date: _____

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

ROGELIO ROMAN, et al.,)	
)	
Plaintiffs,)	File No. 1 91-CV -274
)	
v.)	Hon. Richard Alan Enslen
)	
GERALD KORSON, et al,)	ORDER AMENDING
)	JUDGMENT
Defendants.)	
_____)	

In accordance with the Opinion of this date, the Plaintiff's Renewed Motion for Post Judgment Relief (Dkt. No. 441) is GRANTED and the Judgment and Permanent Injunction of February 9, 1996 is AMENDED to include the following additional terms:

Federal Defendants, their successors, officers, and agents, are HEREBY ENJOINED to:

1. Reissue their Administrative Notice ("AN"), upon its expiration, for a period not less than three (3) consecutive years;
2. Comply with "Secondary request letters." (AN & 5C);
3. Comply with "Last notice to avoid more serious servicing options." (AN & 5D);
4. Comply with "Processing problem case reports." (AN & 5E.)
5. Provide quarterly compliance reports, under seal, to the court and Plaintiffs, with supporting documentation for each borrower, until the expiration of the reissued AN.

DATED in Kalamazoo, MI
March 21, 2000

/S/
Richard Alan Enslen
Chief Judge